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Programme budget for the biennium 2000-2001

Second performance report on the programme budget for the biennium 2000-2001

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the second report of the Secretary-General on the performance of the programme budget of the United Nations for the biennium 2000-2001 (A/56/674). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General who provided it with additional information and clarification.

2. The Advisory Committee notes that, as in the past, the scope of the report is financial only and will be supplemented by a report on programme implementation, which will be submitted for consideration by the Committee for Programme and Coordination and the General Assembly. In this regard, the Committee recalls its observation that the goal of performance reporting should be to relate financial data to programme performance, and that additional efforts should be made by the Secretariat to consider, in the long term, combining the two sides of budget performance into a single performance report (see A/52/742, para. 1).

3. As indicated in paragraph 1 of the performance report, the anticipated final level of expenditure and of income for the biennium represents a net increase of $28.9 million compared with the revised appropriations and estimates of income approved by the General Assembly in its resolution 55/239 of 23 December 2000. The projected expenditure for the biennium 2000-2001 is estimated at $2,560.9 million gross, which reflects an increase of $27.8 million. The projected income is estimated at $379.7 million, which reflects a decrease of $1.1 million compared with the revised income estimates of $380.8 million for the biennium.

4. As indicated in paragraph 1 of the report, the anticipated final expenditure and income figures for the biennium 2000-2001 are based on actual expenditures for the first 20 months, projected requirements for the last 4 months and changes in

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inflation and exchange rates and cost-of-living adjustments as compared with the assumptions made in the first performance report (A/55/645 and Corr.1 and Add.1).

5. As can be seen from paragraph 2 of the performance report, the net increase in requirements of $28.9 million reflects the combined effect of: (a) projected additional requirements due to changes in exchange rate assumptions ($10.4 million), changes in inflation assumptions ($9.1 million), commitments entered into in accordance with the provisions of General Assembly resolution 54/252 of 23 December 1999 on unforeseen and extraordinary expenses, and in respect of the revised estimates and the programme budget implications of resolutions and decisions adopted by the Economic and Social Council ($14.5 million) and a decrease of $1.1 million in income; and (b) reduced requirements of $6.2 million due to variations in post costs and adjustments to other objects of expenditure, based on actual anticipated requirements.

6. The additional requirement relating to changes in exchange rate ($10.4 million) and inflation assumptions ($9.1 million) is explained in paragraphs 6 to 12 of the performance report, and the details regarding the assumed and actual rates of exchange are contained in schedules 4 and 5 of the report; table 1 provides information on exchange rate and inflation changes by duty station.

7. The total additional requirements of $14.5 million relating to commitments entered into in accordance with the provisions of General Assembly resolution 54/252 of 23 December 1999 on unforeseen and extraordinary expenses, and in respect of the revised estimates and the programme budget implications of resolutions and decisions adopted by the Economic and Social Council are discussed in paragraphs 13 to 16 of the performance report.

8. Information on the projected reduced requirements of $6.2 million in post incumbency and other changes is contained in paragraphs 17 to 39 and in schedules 1, 2, 3 and 8 of the performance report. As indicated in paragraph 20, the budgeted vacancy rate, as reflected in the first performance report (A/55/645 and Corr.1 and Add.1) and based on experience in 2000, was 8.3 per cent for the Professional category and above and 2.6 per cent for the General Service category for the first year of the biennium and 6.5 per cent for the Professional category and above and 2.5 per cent for the General Service category for the second year of the biennium. However, the 2001 realized level of vacancies, on the basis of experience from January through September 2001, amounted to 6.9 per cent for the Professional category and above and 3.2 per cent for the General Service category (see para. 21 of the report).

9. The Secretary-General indicates in paragraph 23 (b) of the report that the variation between the budgeted and realized vacancy rates for large budget sections with exceptionally high vacancy rates, such as 16, 20, 24, 27 and 30, reflects the delays in, inter alia, recruitment, appointment and/or promotion to posts, separations and placement for vacancies.

10. The Advisory Committee recalls that it had recommended that future performance reports indicate the amount of unliquidated obligations included in estimated expenditures for the biennium (see A/52/742, para. 11). In this connection, the Committee notes the Secretary-General's observation in paragraph 39 of his report that "it is not feasible to predefine the exact level of unliquidated obligations

anticipated for the close of the biennium. As a point of reference, the amount of unliquidated obligations at the end of September 2001 stood at $161.7 million".

11. **The Committee holds the view that performance information reflected in a number of paragraphs of the report could have been more detailed.** For example, the Committee sought clarification on savings in training activities and was informed that

> "the total amount shown as a reduction under contractual services ($2,364,600) in section 27C, Office of Human Resources Management, reflects underutilization of funds under the central training programme. In part, an amount of $960,100 has been redeployed for maintenance, through temporary assistance arrangements, of an adequate programme support capacity for the training which currently appears to be inadequate in the light of a substantial expansion of the training programme over the last two bienniums. Furthermore, on the basis of the programme delivery data and of the expenditure pattern experienced during the biennium, it has been estimated that the balance of $1,404,500 would remain unutilized. This is basically due to cancellation or postponement of a number of staff development activities, including certain training courses, seminars and other training activities, some of which would take place in the year 2002".

12. Moreover, the Committee sought clarification on "non-utilization of the one-time provision to the International Research and Training Institute for the Advancement of Women for 2001" referred to in paragraph 32 of the report and was informed that there were several periods in 2000 and 2001 when the post of the Director of the Institute was vacant; on this basis and in view of underspending in other areas, it was estimated that voluntary contributions were sufficient to meet the requirements of the Institute for 2001. The Committee was also informed that, should any decision be made by the General Assembly to encumber those funds, the final appropriation for 2000-2001 would have to be adjusted upwards from the second performance report level to accommodate such assistance in as appropriate an amount as the General Assembly sees fit.

13. The Advisory Committee was provided upon request with a breakdown of savings under travel indicating separately variances in travel expenses relating to the travel of representatives and the travel of staff. This information is contained in the annex and **it should be included in future performance reports**.

Annex

Second performance report for the biennium 2000-2001
Variances in travel expenses by section

Increases/(decreases) in thousands of United States dollars

Section		*Travel of representatives*	*Travel of staff*	*Total*
1.	Overall policy-making, direction and coordination	(827.8)	327.1	(500.7)
2.	General Assembly affairs and conference services	(49.5)	173.9	124.4
3.	Political affairs	(494.0)	(118.6)	(612.6)
4.	Disarmament	-	96.3	96.3
5.	Peacekeeping operations	-	(1 106.9)	(1 106.9)
6.	Peaceful uses of outer space	-	(0.6)	(0.6)
7.	International Court of Justice	-	(8.2)	(8.2)
8.	Legal affairs	(191.8)	(24.0)	(215.8)
9.	Economic and social affairs	(237.8)	(198.3)	(436.1)
10.	Africa: New Agenda for Development	-	6.9	6.9
11A.	Trade and development	(161.1)	142.2	(18.9)
12.	Environment	(24.0)	3.2	(20.8)
13.	Human settlements	-	18.7	18.7
14.	Crime prevention and criminal justice	(186.7)	32.7	(154.0)
15.	International drug control	(260.8)	(136.4)	(397.2)
16.	Economic and social development in Africa	-	492.2	492.2
17.	Economic and social development in Asia and the Pacific	-	(261.1)	(261.1)
18.	Economic development in Europe	-	58.8	58.8
19.	Economic and social development in Latin America and the Caribbean	-	243.7	243.7
20.	Economic and social development in Western Asia	-	129.0	129.0
22.	Human rights	(1 294.5)	(288.9)	(1 583.4)
25.	Humanitarian assistance	-	(46.9)	(46.9)
26.	Public information	68.2	(240.6)	(172.4)
27.	Management and central support services	-	206.0	206.0
	A. Office of the Under-Secretary-General for Management		(30.3)	(30.3)
	B. Office of Progamme Planning, Budget and Accounts		-	-
	C. Office of Human Resources Management		(69.5)	(69.5)
	D. Office of Central Support Services		247.9	247.9
	E. Administration, Geneva		44.5	44.5
	F. Administration, Vienna		13.5	13.5
	G. Administration, Nairobi		(0.1)	(0.1)
28.	Internal oversight	-	59.1	59.1
30.	Special expenses	-	(81.0)	(81.0)
TOTAL		**(3 659.8)**	**(521.7)**	**(4 181.5)**